

By: Meza

H.B. No. 2460

A BILL TO BE ENTITLED

AN ACT

relating to providing a sales and use tax refund or franchise tax credit for businesses that employ former offenders.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter I, Chapter 151, Tax Code, is amended by adding Section 151.4294 to read as follows:

Sec. 151.4294. TAX REFUND FOR EMPLOYERS WHO HIRE FORMER OFFENDERS. (a) In this section, "former offender" means a person who:

(1) received a sentence that included imprisonment;

and

(2) was released from the imprisonment, including a release on parole or to mandatory supervision and a release following discharge of the defendant's sentence, at any time during the five-year period preceding the last day of the calendar year for which the refund is claimed.

(b) Except as provided by Subsection (c), a person is eligible for a refund in an amount determined under this subsection of the taxes the person paid under this chapter on purchases of taxable items during a calendar year if the person employs at least one former offender in a full-time employment position located or based in this state during that entire calendar year. The amount of the refund is the lesser of:

(1) a dollar amount equal to the product of \$3,000 and

1 the number of former offenders the person employs in the manner  
2 prescribed by this subsection; and

3 (2) the total amount of the taxes the person paid  
4 during the calendar year.

5 (c) A person is not eligible for a refund under this section  
6 for a calendar year if the person will, as a taxable entity as  
7 defined by Section 171.0002 or as a member of a combined group that  
8 is a taxable entity, claim a credit under Subchapter O-1, Chapter  
9 171, on a franchise tax report covering any part of that year.

10 (d) A person must apply to the comptroller to receive a  
11 refund under this section.

12 SECTION 2. Chapter 171, Tax Code, is amended by adding  
13 Subchapter O-1 to read as follows:

14 SUBCHAPTER O-1. TAX CREDIT FOR EMPLOYERS WHO HIRE FORMER OFFENDERS

15 Sec. 171.781. DEFINITION. In this subchapter, "former  
16 offender" means a person who:

17 (1) received a sentence that included imprisonment;  
18 and

19 (2) was released from the imprisonment, including a  
20 release on parole or to mandatory supervision and a release  
21 following discharge of the defendant's sentence, at any time during  
22 the five-year period preceding the last day of the accounting  
23 period for which the credit is claimed.

24 Sec. 171.782. ENTITLEMENT TO CREDIT. A taxable entity is  
25 entitled to a credit in the amount and under the conditions provided  
26 by this subchapter against the tax imposed under this chapter.

27 Sec. 171.783. QUALIFICATION. A taxable entity qualifies

1 for a credit under this subchapter if the taxable entity employs at  
2 least one former offender in a full-time employment position  
3 located or based in this state during the entire period on which the  
4 report is based.

5 Sec. 171.784. INELIGIBILITY FOR CREDIT FOR CERTAIN PERIODS.

6 A taxable entity is not eligible for a credit on a report if the  
7 taxable entity, or a member of the combined group if the taxable  
8 entity is a combined group, received, for taxes paid under Chapter  
9 151 during the accounting period on which the report is based, a  
10 refund under Section 151.4294.

11 Sec. 171.785. AMOUNT; LIMITATIONS. (a) Except as provided

12 by Subsection (b), the amount of the credit under this subchapter is  
13 a dollar amount equal to the product of \$3,000 and the number of  
14 former offenders employed by the taxable entity in the manner  
15 prescribed by Section 171.783.

16 (b) The total credit claimed for a report may not exceed the  
17 amount of franchise tax due for the report after all other  
18 applicable tax credits.

19 Sec. 171.786. APPLICATION FOR CREDIT. (a) A taxable entity

20 must apply for a credit under this subchapter on or with the tax  
21 report for the period for which the credit is claimed.

22 (b) The comptroller shall promulgate a form for the  
23 application for the credit. A taxable entity must use the form in  
24 applying for the credit.

25 Sec. 171.787. PERIOD FOR WHICH CREDIT MAY BE CLAIMED. A

26 taxable entity may claim a credit under this subchapter on a report  
27 only in connection with the employment of a former offender during

1 the accounting period on which the report is based.

2 SECTION 3. Subchapter O-1, Chapter 171, Tax Code, as added  
3 by this Act, applies only to a report originally due on or after the  
4 effective date of this Act.

5 SECTION 4. This Act takes effect January 1, 2020.